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following criteria, as determined by the Chief:

- (1) Site-specific evaluation documents have been completed, documenting that the project will have substantial positive impacts on critical resources in or near the project area (e.g., impaired water bodies, at-risk species, drinking water supplies, or air quality attainment);
- (2) The project clearly addresses a national priority and State, Tribal, or local priority resource concerns, as applicable; and
- (3) The project assists the participant in complying with Federal, State, and local regulatory requirements.

[74 FR 2313, Jan. 15, 2009]

§ 1466.22 Conservation practice operation and maintenance.

- (a) The contract will incorporate the O&M agreement that addresses the operation and maintenance of conservation practices applied under the contract.
- (b) NRCS expects the participant to operate and maintain each conservation practice installed under the contract for its intended purpose for the conservation practice lifespan as specified in the O&M agreement.
- (c) Conservation practices installed before the contract execution, but included in the contract to obtain the environmental benefits agreed upon, must be operated and maintained as specified in the contract and O&M agreement.
- (d) NRCS may periodically inspect the conservation practice during the contract duration as specified in the O&M agreement to ensure that operation and maintenance requirements are being carried out, and that the conservation practice is fulfilling its intended objectives.
- (e) If NRCS finds during the contract that a participant is not operating and maintaining practices in an appropriate manner, NRCS may terminate and request a refund of payments made for that conservation practice under the contract.

[74 FR 2313, Jan. 15, 2009]

§1466.23 Payment rates.

- (a) The State Conservationist or designated conservationist will develop a list of conservation practices, eligible for payment under the program, which considers:
- (1) The conservation practice cost-effectiveness, implementation efficiency, and innovation,
- (2) The degree and effectiveness in treating priority resource concerns,
- (3) The number of resource concerns the practice will address,
- (4) The longevity of the practice's environmental benefits.
- (5) The conservation practice's ability to assist producers in meeting regulatory requirements, and
- (6) Other pertinent local considerations.
- (b) Payment rates will be established by the State Conservationist or designated conservationist, with advice from the State Technical Committee and local working groups.
- (c) Determining payment rates. (1) A payment to a producer for performing a practice may not exceed, as determined by the State or designated conservationist:
- (i) 75 percent of the estimated costs incurred by implementing the conservation practice;
- (ii) 100 percent of the estimated income foregone; or
- (iii) Both conditions in paragraphs (c)(1)(i) and (ii) of this section, where a producer incurs costs in implementing a conservation practice and foregoes income related to that practice implementation.
- (iv) When determining payments for income foregone, the State Conservationist may give higher priority to the following conservation practices:
 - (A) Residue management;
 - (B) Nutrient management;
 - (C) Air quality management;
 - (D) Invasive species management;
- (E) Pollinator habitat development or improvement;
- (F) Animal carcass management technology; or
 - (G) Pest management.
- (2) Notwithstanding paragraph (c)(1)(ii) of this section, a farmer or rancher meeting the historically underserved producer designation in §1466.3 may be awarded the applicable